



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



KEITH CREAGH  
DIRECTOR

March 23, 2015

To: Keith Creagh, Director

Information: Natural Resources Commission

Transaction: Proposed May 4, 2015, Oil and Gas Lease Auction

Authority: Part 5, of the Natural Resources and Environmental Protection Act, 1994 PA 451

Auction Method: Oral Auction

Acres Offered: Approximately 130,000 acres

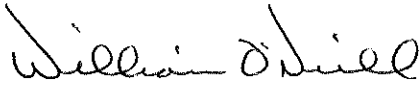
Counties Offered: Allegan, Arenac, Bay, Clare, Crawford, Gladwin, Ingham, Isabella, Kalkaska, Mecosta, Midland, Missaukee, Montcalm, Montmorency, Osceola, Otsego, Roscommon, Saginaw, and Wexford

Lease Terms: Five-year primary term with two one-year extension options; 1/6 royalty rate; minimum bid of \$10.00 per acre; and \$2.00 per acre annual rental for the primary term.

Special Restrictions: Certain parcels proposed to be offered for lease may contain restrictions limiting surface activities where environmental concerns exist. All oil and gas development activities proposed on state-owned surface require separate surface use agreements.

Notice: Potentially affected private surface owners have been notified of the proposed auction. Township supervisors, county commissioners, and other interested parties will receive notification when the auction catalog is available online. Notice of the proposed auction also appeared in the county newspapers representing the areas where the lands are located. This item will appear on the March 31, 2015, DNR Business Calendar and is eligible for approval April 9, 2015.

Recommendation: The mineral rights in all the lands being considered should be offered for inclusion in the proposed auction, under the terms and conditions specified.



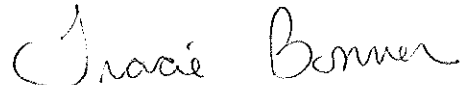
William O'Neill, Chief  
Forest Resources Division



Russ Mason, Ph.D., Chief  
Wildlife Division



James L. Dexter, Chief  
Fisheries Division



Tracie Bonner, Acting Manager  
Minerals Management



William E. Moritz, Ph.D.  
Natural Resources Deputy

I approve the staff recommendation.

Keith Creagh  
Director

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Approval Date